

The complaint

Mr D complains St James's Place Wealth Management Plc (St James's Place) mis-sold him an income protection insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

In 2001 Mr D purchased an income protection insurance policy following advice from St James's Place.

A number of years later Mr D submitted a claim under the policy after he became unable to work due to illness. Mr D's claim was accepted but the benefit Mr D received was lower than he expected. He raised a complaint with St James's Place about the way his policy had been sold to him.

As Mr D hadn't received a final response to his complaint within eight weeks, he referred his complaint to this Service. On 29 August 2025, following Mr D's referral, St James's Place issued Mr D with a final response to his complaint. It said it didn't believe the policy had been mis-sold.

Our investigator looked into things. She said she didn't think the policy had been mis-sold based on the information Mr D provided to St James's Place at the point of sale.

Mr D didn't agree with our investigator. He said he didn't think St James's Place had been open and honest about the policy at the point it was sold to him. He said he thought there was an inconsistency around the way the policy was marketed compared to the unfair outcome he had received when he made a claim.

As Mr D didn't agree with our investigator the complaint has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I want to acknowledge I've summarised Mr D's complaint in far less detail than he has presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr D and St James's Place I've read and considered everything that's been provided.

I also want to be clear about what I've considered as part of this decision. I'm aware Mr D has raised a separate complaint about his claim, and the way the benefit has been calculated by his insurer. So, I won't be commenting on this as part of this decision. This decision will focus solely on the sale of Mr D's policy.

When Mr D's policy was sold in 2001, it was done so on an advised basis. So, I would expect St James's Place to have considered whether the policy it was recommending to Mr D was suitable for his needs.

The recommendation letter from February 2001 says it was agreed one of Mr D's main priorities was to provide a replacement income if Mr D was unable to continue working as a result of sickness or accident. It says St James's Place recommended an income protection insurance policy as it would replace a proportion of Mr D's income if he was unable to work due to sickness or accident.

Mr D purchased an income protection policy which would provide a monthly benefit of £1,602. This was based on Mr D's annual income being £35,000 and the policy providing a benefit of 65% of Mr D's income, minus the state incapacity rate of £3,510 per year. I can see from the application form that Mr D's income at the time was listed at £35,000.

Based on the evidence provided, I think the policy St James's Place recommended to Mr D was suitable for his needs at that time. Mr D hasn't denied he was looking to purchase a policy to provide him with a benefit if he was unable to work, which the policy he purchased did. And the benefit amount was the maximum benefit Mr D could receive based on his recorded income at the time.

Mr D has said based on the marketing of the product, he was led to believe he would receive this benefit, or the indexed amount, in return for the premium he has paid. Given the time that has passed, there is limited information about specifically what Mr D was told about how the policy benefit was calculated when he took it out in 2001. But I've not seen persuasive evidence Mr D was given the impression he would receive the maximum benefit regardless of his income.

More recently Mr D has said to this Service that based on the information he was provided when purchasing this policy, it seemed clear to him, and was reasonable for him to expect, that if his income remained broadly similar to £35,000, he would receive the benefit of £1,602 or whichever indexed amount was relevant at the time of the claim. So, it would appear Mr D was aware the benefit he would receive was linked to his income and wasn't a guaranteed benefit amount.

Following Mr D purchasing his insurance policy he started his own business and became director of his company. And he feels unfairly treated because of the way his insurer has considered his income when settling his claim. However, I don't think this means his policy has been mis-sold to him. St James's Place weren't to know Mr D's circumstances would change in this way following him purchasing his policy, and so I wouldn't expect it to have discussed the different ways an insurer may calculate his income should he become a director of a company. Ultimately, when Mr D's policy was sold to him he was employed with a salary of £35,000 and so I think it was reasonable for St James's Place to sell him a policy based on his circumstances at that time which I'm satisfied it did.

I know how strongly Mr D feels he has been treated unfairly by St James's Place. However, taking all of the evidence into consideration, I don't think it mis-sold him an income protection policy. Therefore, I won't be asking it to take any further action in relation to his complaint.

My final decision

For the reasons I've outlined above, I don't uphold Mr D's complaint about St James's Place Wealth Management Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or

reject my decision before 4 December 2025.

Andrew Clarke
Ombudsman